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C O N F I D E N T I A L SECTION 01 OF 02 CARACAS 000149

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TAGS: ECON PGOV VE

SUBJECT: CHAVEZ' NEW CABINET: BIOS ON ECONOMIC MINISTERS

REF: A. CARACAS 0033

1B. CARACAS 0052
1C. CARACAS 0059

Classified By: Andrew N. Bowen, Economic Counselor, for Reason 1.4(d).

11. (SBU) Summary: President Hugo Chavez swore in new cabinet ministers on January 8 for six key economic portfolios: the Ministry of Finance (Reftel A), a newly-formed Ministry of Telecommunications, the Ministry of Environment and Natural Resources, the Ministry of Science and Technology, the Ministry of Health and Social Development, and the Ministry of Tourism. These appointments were part of a reshuffling that saw nine cabinet positions change hands and three new ministries formed (Reftel B). Each of these appointees has a long track record of personal loyalty to Chavez and participation in the "Bolivarian Revolution." They can be expected to assist Chavez to move forward aggressively with his socialist economic agenda in 12007. (Note: Biographic information for the new ministers such as age and educational background is not publicly available, reflecting how little is known about their backgrounds and prior experience.) End Summary.

Jesse Chacon- Telecommunications

12. (C) Jesse Chacon, 41, who had served as Minister of the Interior since 2004, has assumed leadership of the newly formed Ministry of Telecommunications. Chacon is a graduate of the National Experimental University of the Army (Unefa). He and Chavez have a long history together going back to their days in the military and participation in the failed 1992 coup. A systems engineer with a postgraduate degree from France, Chacon became Secretary General for the National Telecommunications Commission in 1999, where he was the architect of the national telecommunications plan for 2000-2012. From 2003-2004, Chacon served as Minister of Communications. An ideologue and unwavering Chavista loyalist, Chacon has a reputation for an acerbic tongue and is a vehement critic of the U.S. While Minister of the Interior, Chacon was a negative influence in joint cooperation against drug trafficking, most recently lashing out in December over USG comments concerning an alleged increase in narcotrafficking through Venezuela. Despite his status as a Chavez insider, Chacon came under fire over the past several months for the deteriorating security situation

in the country. On several occasions, Chavez has publicly chastised Chacon for the rise in street crime and violence. Shifting Chacon to Telecommunications may be a concession to public opinion. Though Telecommunications is a less prestigious ministerial portfolio than Interior, Chacon still remains in a position where Chavez can call on his loyalty to lead the campaign to nationalize CANTV and continue the ongoing assault on the private media (see Comment, Paragraph 7).

Yuviri Ortega- Environment and Natural Resources

¶3. (SBU) Yuviri Ortega has replaced Jacqueline Faria as Minister of the Environment and Natural Resources. Ortega is in her early fifties, holds a degree in civil engineering, and is the spouse of the Minister of Housing and Habitat, Ramon Carrizalez. Ortega was formerly the director of C.A., Hidrologia del Centro, "Hydrocenters," a state-owned enterprise under the direction of the Ministry of the Environment, where she was responsible for managing water distribution and treatment in the central states of Aragua, Cojedes, and Carabobo. According to Ortega, Chavez has given her a mandate to "radicalize" environmental projects already undertaken. In particular, Ortega seeks to replicate on the national level the grass-roots Bolivarian committees developed regionally by Hydrocenters known as "Mesas de Aguas Technicas" (Water Technical Tables). Water Technical Tables are grass-roots community organizations comprised of water consumers, suppliers and local government officials who jointly manage the community's water distribution. Ortega has yet to provide details as to how small community groups would be replicated on a national scale.

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Hector Navarro- Science and Technology

¶4. (SBU) Chavez has tapped Hector Navarro, 57, an engineering professor at the Central University of Venezuela (UCV), as the new Minister of Science and Technology, replacing Marlene Yadira Cordoba. Navarro served most recently as a deputy to the Andean Parliament and was Minister of Education from 1999 until 2004. Navarro's recent comments show that he is "rojo, rojito" and a supporter of Chavez' foreign policy. Speaking recently at UCV, Navarro extended a "salute of solidarity" to nations friendly with the BRV-- highlighting Cuba, Iran and North Korea.

Erick Rodriguez- Health and Development

¶5. (SBU) Erick Rodriguez, 57, has replaced Francisco Armada as the Minister for Health and Development. Rodriguez, a physician and faculty member of UCV, is a National Assembly deputy and most recently served as Vice-President for the National Assembly Permanent Commission on Education. Rodriguez proved himself a Chavez loyalist during the recall referendum of 2004. Rodriguez was an activist in Comando Maisanta, the national committee that oversaw grass-roots election patrols to mobilize voters to keep Chavez in power.

Titina Azuaje- Tourism

¶6. (SBU) Olga Cristina "Titina" Azuaje, 42, has replaced Wilmar Castro as the new Minister of Tourism. Azuaje is closely tied to the Chavez political machine as President of the organization "Clase Media en Positivo" (Middle Class Positive), a propaganda movement formed after the 2002 coup

that supposedly represents middle class Venezuelans who support Chavez and want to participate in the "Bolivarian Revolution." Azuaje also played an important part as an activist in Commando Miranda, the Chavez re-election campaign leading up to the December 2006 vote. Prior to assuming her ministerial portfolio, she served as president of the tourism board of Miranda State under MRV Governor Diosdado Cabello, a close Chavez insider. She also traveled to Cuba in 2003 and met with Fidel Castro.

Comment

¶7. (C) Chavez has put into place an unconditionally loyal Chavista cabinet that reflects the cronyism and patronage of the BRV. The newcomers to the presidential cabinet in economic portfolios share similar characteristics-- strong pedigrees of Chavista allegiance and extensive resumes featuring grass-roots Bolivarian activism. Chacon's move from Interior to Telecommunications may mean that Chacon has been anointed as the mouthpiece to lead the campaign to nationalize CANTV, which Chavez has said is on the horizon in moving forward with socialism in the 21st century. (Reftel C). Now that Chavez has lined up a compliant and faithful team, he is already aggressively pursuing his self-proclaimed "socialist" agenda.

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